

Consolidated Financial Results for the Three Months Ended June 30, 2019 (IFRS)

AMADA HOLDINGS CO., LTD.

Listed on the First Section of the TSE

Stock Code: 6113

(URL <https://www.amadaholdings.co.jp>)

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Scheduled date to file quarterly securities report: August 9, 2019

Scheduled date to commence dividend payments: —

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results briefing: Yes (for investment analysts and institutional investors)

(Amounts less than one million yen are truncated.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(1) Operating Results (Cumulative)

Percentages indicate year-on-year increase (decrease).

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2019	64,870	(3.7)	4,731	(21.6)	4,986	(27.5)	3,719	(24.3)	3,655	(24.6)
Three months ended June 30, 2018	67,327	16.5	6,034	38.0	6,881	17.0	4,914	21.4	4,846	21.2

Note: Comprehensive income:

Three months ended June 30, 2019:

¥(2,029) millions

— %

Three months ended June 30, 2018:

¥4,356 millions

(37.5) %

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	10.25	10.25
Three months ended June 30, 2018	13.25	13.25

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2019	566,331	434,334	430,524	76.0
As of March 31, 2019	567,861	445,280	441,431	77.7

Note: In the first quarter ended June 30, 2019, the Company finalized a provisional accounting treatment related to business combinations.

The figures in the fiscal year ended March 31, 2019, reflect the finalization of the provisional accounting treatment.

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	—	21.00	—	25.00	46.00
Fiscal year ended March 31, 2020	—				
Fiscal year ended March 31, 2020 (Forecast)		24.00	—	24.00	48.00

Notes: Revision to dividend forecasts most recently announced: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year increase (decrease)

	Revenue		Operating profit		Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Fiscal year ending March 31, 2020 (Forecast)	350,000	3.5	47,000	4.1	33,500	0.6
						93.94

Note: Revision to consolidated financial forecasts most recently announced: None

In the first quarter ended June 30, 2019, the Company finalized a provisional accounting treatment related to business combinations.

The figures in the fiscal year ended March 31, 2019, reflect the finalization of the provisional accounting treatment. Therefore, comparisons with the previous term are also done using the finalized figures.

4. Other Items

- (1) Changes in the scope of consolidation for significant subsidiaries during the three months ended June 30, 2019: None
(Changes in specified subsidiaries resulting in change in the scope of consolidation)
- (2) Changes in accounting policies and changes in accounting estimates:
 - 1) Changes in accounting policies required by IFRS: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
- (3) Number of shares issued (common stock)
 - 1) Number of shares issued at end of period (including treasury shares)

As of June 30, 2019	368,115,217 shares
As of March 31, 2019	368,115,217 shares
 - 2) Number of treasury shares at end of period

As of June 30, 2019	11,504,073 shares
As of March 31, 2019	11,503,611 shares
 - 3) Average number of shares during period

Three months ended June 30, 2019	356,611,257 shares
Three months ended June 30, 2018	365,808,855 shares

***These quarterly consolidated financial results are outside the scope of the quarterly review procedures by a certified public accountant or an auditing firm.**

The consolidated financial forecasts mentioned in this document and other forward-looking statements are based on information available to and on certain reasonable assumptions by the Company as of today. Accordingly, actual results may differ significantly from the forecasts herein due to various factors.

Condensed Quarterly Consolidated Financial Statements and Primary Notes

Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	As of March 31, 2019	As of June 30, 2019
(Assets)			
Current assets:			
Cash and cash equivalents		56,295	51,651
Trade and other receivables		140,965	123,526
Inventories		100,391	113,330
Other financial assets		19,939	15,889
Other current assets		9,571	10,317
Total current assets		327,164	314,715
Non-current assets:			
Property, plant and equipment		130,914	142,756
Goodwill		4,811	4,710
Intangible assets		14,623	14,491
Investments accounted for using equity method		1,638	1,785
Other financial assets		65,734	63,813
Deferred tax assets		13,953	14,729
Other non-current assets		9,021	9,327
Total non-current assets		240,697	251,615
Total asset		567,861	566,331

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	As of March 31, 2019	As of June 30, 2019
(Liabilities and Equity)			
Liabilities			
Current liabilities:			
Trade and other payables		65,917	64,528
Borrowings		5,366	9,719
Income taxes payable		7,918	3,151
Other financial liabilities		931	5,616
Provisions		1,900	1,825
Other current liabilities		23,961	23,105
Total current liabilities		105,997	107,946
Non-current assets:			
Borrowings		4,556	4,415
Other financial liabilities		2,907	10,645
Retirement benefit liability		2,855	2,813
Provisions		6	6
Deferred tax liabilities		2,198	2,318
Other non-current liabilities		4,060	3,850
Total non-current liabilities		16,584	24,050
Total liabilities		122,581	131,996
Equity			
Share capital		54,768	54,768
Capital surplus		153,119	153,119
Retained earnings		243,596	238,337
Treasury shares		(11,608)	(11,608)
Other components of equity		1,555	(4,091)
Total equity attributable to owners of parent		441,431	430,524
Non-controlling interests		3,848	3,809
Total equity		445,280	434,334
Total liabilities and equity		567,861	566,331

Condensed Quarterly Consolidated Statement of Profit or Loss

Three months ended June 30, 2018 and 2019

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	Three months ended June 30, 2018	Three months ended June 30, 2019
Revenue		67,327	64,870
Cost of sales		(37,849)	(36,143)
Gross profit		29,478	28,726
Selling, general and administrative expenses		(23,614)	(24,472)
Other income		562	688
Other expenses		(392)	(211)
Operating profit		6,034	4,731
Finance income		970	892
Finance costs		(239)	(817)
Share of profit of investments accounted for using equity method		115	180
Profit before tax		6,881	4,986
Income tax expense		(1,966)	(1,266)
Profit		4,914	3,719
Profit attributable to:			
Owners of parent		4,846	3,655
Non-controlling interests		68	63
Profit		4,914	3,719
Earnings per share			
Basic earnings per share		13.25	10.25
Diluted earnings per share		13.25	10.25

Condensed Quarterly Consolidated Statement of Comprehensive Income

Three months ended June 30, 2018 and 2019

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit		4,914	3,719
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Equity financial assets measured at fair value through other comprehensive income		(56)	(525)
Total of items		(56)	(525)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(464)	(5,220)
Debt financial assets measured at fair value through other comprehensive income		(13)	13
Share of other comprehensive income of investments accounted for using equity method		(23)	(15)
Total of items		(501)	(5,223)
Total other comprehensive income		(558)	(5,748)
Comprehensive income		4,356	(2,029)
Comprehensive income attributable to:			
Owners of parent		4,307	(1,991)
Non-controlling interests		49	(38)
Comprehensive income		4,356	(2,029)

Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(Millions of yen; amounts less than one million yen are truncated.)

	Equity attributable to owners of parent									Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity				Total		
					Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total			
Balance at April 1, 2018	54,768	163,217	224,850	(11,695)	529	2,351	70	2,950	434,091	3,615	437,707
Profit	—	—	4,846	—	—	—	—	—	4,846	68	4,914
Other comprehensive income	—	—	—	—	(70)	(445)	(23)	(539)	(539)	(19)	(558)
Comprehensive income	—	—	4,846	—	(70)	(445)	(23)	(539)	4,307	49	4,356
Dividends	—	—	(8,047)	—	—	—	—	—	(8,047)	(0)	(8,048)
Purchase of treasury shares	—	—	—	(1)	—	—	—	—	(1)	—	(1)
Disposal of treasury shares (including through the exercise of share options)	—	0	—	0	—	—	—	—	0	—	0
Total transactions with owners	—	0	(8,047)	(1)	—	—	—	—	(8,048)	(0)	(8,049)
Balance at June 30, 2018	54,768	163,217	221,649	(11,696)	458	1,905	47	2,411	430,350	3,664	434,014

Three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(Millions of yen; amounts less than one million yen are truncated.)

	Equity attributable to owners of parent									Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity				Total		
					Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total			
Balance at April 1, 2019	54,768	153,119	243,596	(11,608)	651	888	15	1,555	441,431	3,848	445,280
Profit	—	—	3,655	—	—	—	—	—	3,655	63	3,719
Other comprehensive income	—	—	—	—	(511)	(5,118)	(15)	(5,646)	(5,646)	(102)	(5,748)
Comprehensive income	—	—	3,655	—	(511)	(5,118)	(15)	(5,646)	(1,991)	(38)	(2,029)
Dividends	—	—	(8,915)	—	—	—	—	—	(8,915)	(0)	(8,916)
Purchase of treasury shares	—	—	—	(0)	—	—	—	—	(0)	—	(0)
Disposal of treasury shares (including through the exercise of share options)	—	—	—	—	—	—	—	—	—	—	—
Total transactions with owners	—	—	(8,915)	(0)	—	—	—	—	(8,915)	(0)	(8,916)
Balance at June 30, 2019	54,768	153,119	238,337	(11,608)	139	(4,230)	(0)	(4,091)	430,524	3,809	434,334

Condensed Quarterly Consolidated Statement of Cash Flows

Three months ended June 30, 2018 and 2019

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	Three months ended June 30, 2018	Three months ended June 30, 2019
Cash flows from operating activities			
Profit before tax		6,881	4,986
Depreciation and amortization		2,961	3,994
Finance income and finance costs		(731)	(809)
Share of profit of investments accounted for using equity method		(115)	(180)
Loss (gain) on sales and retirement of fixed assets		139	20
Decrease (increase) in inventories		(9,221)	(14,497)
Decrease (increase) in trade and other receivables		15,088	15,456
Increase (decrease) in trade and other payables		(8)	(1,080)
Increase (decrease) in retirement benefit liability		(252)	(312)
Increase (decrease) in provisions		(1)	(42)
Other		(1,722)	3,895
Subtotal		13,017	11,429
Interest received		281	236
Dividends received		71	77
Interest paid		(27)	(23)
Income taxes paid		(6,775)	(8,358)
Net cash provided by (used in) operating activities		6,567	3,361
Cash flows from investing activities			
Net decrease (increase) in time deposits		(5,394)	4,103
Purchase of securities		(1,000)	—
Proceeds from sale of marketable securities		1,600	500
Purchase of investment securities		(4,303)	(1,454)
Proceeds from sale of investment securities		7	2,167
Purchase of property, plant and equipment		(4,470)	(6,321)
Proceeds from sale of property, plant and equipment		214	103
Purchase of intangible assets		(1,037)	(1,182)
Payments from purchase of shares of subsidiaries resulting in change in scope of consolidation		(742)	—
Other		194	15
Net cash provided by (used in) investing activities		(14,931)	(2,068)
Cash flows from financing activities			
Proceeds from short-term borrowings		1,801	28
Repayments of short-term borrowings		(2,037)	(13)
Net increase (decrease) in short-term borrowings		3,315	4,571
Proceeds from long-term borrowings		30	—
Repayments of long-term borrowings		(69)	(14)
Repayments of lease liabilities		(34)	(623)
Payments for purchase of treasury shares		(1)	(0)
Dividends paid		(8,050)	(8,919)
Dividends paid to non-controlling interests		(0)	(0)
Other		0	—
Net cash provided by (used in) financing activities		(5,046)	(4,971)
Effect of exchange rate changes on cash and cash equivalents		(424)	(964)
Net increase (decrease) in cash and cash equivalents		(13,834)	(4,643)
Cash and cash equivalents at beginning of period		80,464	56,295
Cash and cash equivalents at end of period		66,630	51,651

Segment Information

Three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

Millions of yen; amounts less than one million yen are truncated.)

	Metalworking Machinery	Metal Machine Tools	Other	Total	Reconciliations	Consolidated
Revenue						
Revenue from external customers	55,834	11,189	304	67,327	—	67,327
Intersegment revenue	2	2	—	4	(4)	—
Total	55,836	11,191	304	67,332	(4)	67,327
Segment profit	4,425	1,480	128	6,034	—	6,034
Finance income						970
Finance costs						(239)
Share of profit of investments accounted for using equity method						115
Profit before tax						6,881

Notes:

1. The “Other” classification refers to businesses not included within reportable segments. It principally comprises real estate leasing.
2. Segment profit is adjusted from operating profit.

Three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

Millions of yen; amounts less than one million yen are truncated.)

	Metalworking Machinery	Metal Machine Tools	Other	Total	Reconciliations	Consolidated
Revenue						
Revenue from external customers	50,347	14,234	288	64,870	—	64,870
Intersegment revenue	0	1	—	2	(2)	—
Total	50,348	14,235	288	64,872	(2)	64,870
Segment profit	3,018	1,523	189	4,731	—	4,731
Finance income						892
Finance costs						(817)
Share of profit of investments accounted for using equity method						180
Profit before tax						4,986

Notes:

1. The “Other” classification refers to businesses not included within reportable segments. It principally comprises real estate leasing.
2. Segment profit is adjusted from operating profit.

Supplementary Information

Status of Orders Received and Sales (Consolidated)

1. Orders Received

(Millions of yen; amounts less than one million yen are truncated.)

Divisions	Period	Three months ended June 30, 2018				Three months ended June 30, 2019			
		Orders received		Balance of outstanding orders		Orders received		Balance of outstanding orders	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
			%		%		%		%
Sheet Metal Division		49,377	68.8	61,749	76.2	44,195	65.6	57,413	68.9
Micro Welding Division		8,599	12.0	6,641	8.2	7,593	11.3	9,784	11.7
Cutting Division		9,031	12.6	5,760	7.1	9,161	13.6	5,720	6.9
Stamping Presses Division		2,418	3.4	3,294	4.1	4,709	7.0	7,586	9.1
Grinding Division		2,027	2.8	3,585	4.4	1,373	2.1	2,832	3.4
Others		300	0.4	—	—	286	0.4	—	—
Total		71,754	100.0	81,031	100.0	67,320	100.0	83,337	100.0

2. Sales Results

(Millions of yen; amounts less than one million yen are truncated.)

Divisions	Period	Three months ended June 30, 2018		Three months ended June 30, 2019	
		Amount	Ratio	Amount	Ratio
			%		%
Sheet Metal Division		48,270	71.7	43,750	67.4
Micro Welding Division		7,564	11.2	6,596	10.2
Cutting Division		7,781	11.5	8,398	12.9
Stamping Presses Division		1,945	2.9	4,179	6.4
Grinding Division		1,462	2.2	1,656	2.6
Others		304	0.5	288	0.5
Total		67,327	100.0	64,870	100.0

Note: For “Status of Orders Received and Sales,” amounts exclude consumption tax.

Status of Sales revenue to Customers by Geographic Region

(Millions of yen; amounts less than one million yen are truncated.)

Regions	Period	Three months ended June 30, 2018		Three months ended June 30, 2019		Percentage change
		Amount	Ratio	Amount	Ratio	
			%		%	%
Japan		22,676	33.7	25,688	39.6	13.3
Overseas		44,651	66.3	39,181	60.4	(12.2)
North America		16,075	23.9	15,379	23.7	(4.3)
Europe		14,699	21.8	12,846	19.8	(12.6)
Asia and other regions		13,875	20.6	10,955	16.9	(21.0)
Total		67,327	100.0	64,870	100.0	(3.7)

Note: This table presents sales to customers by geographic region.